

**LFC Requester:****Kelly Klundt**

**AGENCY BILL ANALYSIS  
2016 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**    ☒ **Amendment**    ☐  
**Correction**    ☐ **Substitute**    ☐

**Date** 1/30 2016

**Bill No:** HB 283

**Sponsor:** Rep. Larranaga

**Agency Code:** 305

Unemployment Compensation

**Person Writing** Susan Sullivan AAG

**Short**    Contribution Rates

**Phone:** 827-6070

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE****BILL SUMMARY**

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

**Synopsis:**

HB 283 enacts a temporary provision to amend Section 51-1-11, NMSA 1978.

HB 283 provides a temporary adjustment to the employer's contribution rate for each year beginning with 2016 and through 2018, for an employer that as of the computation date for that year, has contributed throughout the preceding thirty-six months.

HB 283 further provides an adjusted experience history factor based on the employers reserve at the time of the computation. The employer's reserve shall be calculated as the difference between all of the employer's previous years' benefit charges, divided by the average of the employer's three previous years' annual payrolls. It provides for the percentages and correlating history factors.

HB 283 limits the potential increase in an employer's contribution rate plus the excess claim rate to no more than 2% from one calendar year to the next.

**FISCAL IMPLICATIONS****SIGNIFICANT ISSUES****PERFORMANCE IMPLICATIONS**

The temporary period begins 2016. Thus, there may be retroactive application which may cause additional consideration for the division charged with administration.

**ADMINISTRATIVE IMPLICATIONS****CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo. The contribution rate will be determine for 2016-2018 as set forth in the existing law.

## **AMENDMENTS**